

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2006
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	MOTOR TRANSPORT FUND	OFFICE SERVICES REVOLVING FUND
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 40,134	\$ 57,369	\$ 111,079
Payments to employees	(16,075)	(3,079)	(12,438)
Payments to suppliers	(16,886)	(53,108)	(99,532)
Claims paid	-	-	-
Other receipts	-	386	-
Other payments	(7,920)	-	-
Net cash provided (used) by operating activities	<u>\$ (748)</u>	<u>\$ 1,568</u>	<u>\$ (891)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans or loan repayments from other funds	\$ 1,557	\$ 291	\$ 7,956
Loans or loan repayments to other funds	-	(1,959)	(5,014)
Transfers to other funds	(191)	(26)	(109)
Other receipts	-	-	24
Net cash provided (used) by noncapital financing activities	<u>\$ 1,365</u>	<u>\$ (1,694)</u>	<u>\$ 2,857</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	\$ (543)	\$ (33)	\$ (149)
Interest paid	(339)	-	-
Capital lease payments (including imputed interest expense)	-	-	(1,308)
Proceeds from sale of capital assets	-	142	13
Net cash provided (used) by capital and related financing activities	<u>\$ (882)</u>	<u>\$ 109</u>	<u>\$ (1,444)</u>
Net cash provided (used) - all activities	\$ (265)	\$ (17)	\$ 522
Cash and cash equivalents at beginning of year	(56)	19	(169)
Cash and cash equivalents at end of year	<u><u>\$ (321)</u></u>	<u><u>\$ 3</u></u>	<u><u>\$ 354</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Per Statement of Net Assets Classifications:			
Cash	\$ -	\$ 12	\$ 1
Equity in common cash	-	-	514
Warrants outstanding	(321)	(9)	(161)
Cash and cash equivalents at end of year	<u><u>\$ (321)</u></u>	<u><u>\$ 3</u></u>	<u><u>\$ 354</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,731)	\$ 2,987	\$ (3,357)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation expense	1,503	209	1,925
Net Changes in Assets and Liabilities:			
Inventories	(1,608)	(73)	(298)
Other assets (net)	131	(813)	(1,892)
Accounts payable and other liabilities	957	(742)	2,731
Net cash provided (used) by operating activities	<u><u>\$ (748)</u></u>	<u><u>\$ 1,568</u></u>	<u><u>\$ (891)</u></u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Cost of capital assets acquisitions financed by capital leases	\$ -	\$ -	\$ 949
Capital lease liabilities entered into during the year	-	-	(949)
Gain (loss) on disposal of capital assets	(29)	-	(141)
Total noncash investing, capital, and financing activities	<u><u>\$ (29)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (141)</u></u>

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INTERNAL SERVICE FUNDS
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(In Thousands)

	INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 462,843	\$ 4,959	\$ 1,034,435	\$ 1,710,819
Payments to employees	(158,148)	(768)	-	(190,508)
Payments to suppliers	(257,660)	(1,544)	(263,556)	(692,286)
Claims paid	-	(1,474)	(765,793)	(767,267)
Other receipts	-	-	-	386
Other payments	-	-	-	(7,920)
Net cash provided (used) by operating activities	\$ 47,035	\$ 1,174	\$ 5,086	\$ 53,225
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Loans or loan repayments from other funds	\$ -	\$ -	\$ 6,973	\$ 16,777
Loans or loan repayments to other funds	-	-	(8,247)	(15,220)
Transfers to other funds	(988)	(14)	-	(1,328)
Other receipts	-	-	-	24
Net cash provided (used) by noncapita financing activities	\$ (988)	\$ (14)	\$ (1,274)	\$ 252
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(29,622)	\$ -	\$ -	\$ (30,347)
Interest paid	-	-	-	(339)
Capital lease payments (including imputed interest expense)	(9,469)	-	-	(10,777)
Proceeds from sale of capital assets	-	-	-	155
Net cash provided (used) by capital and related financing activities	\$ (39,091)	\$ -	\$ -	\$ (41,308)
Net cash provided (used) - all activities	\$ 6,956	\$ 1,160	\$ 3,812	\$ 12,168
Cash and cash equivalents at beginning of year	27,647	7,976	189,461	224,879
Cash and cash equivalents at end of year	\$ 34,603	\$ 9,136	\$ 193,273	\$ 237,047
RECONCILIATION OF CASH AND CASH EQUIVALENTS				
Per Statement of Net Assets Classifications:				
Cash	\$ -	\$ -	\$ -	\$ 13
Equity in common cash	36,188	9,136	193,364	239,203
Warrants outstanding	(1,585)	-	(91)	(2,169)
Cash and cash equivalents at end of year	<u>\$ 34,603</u>	<u>\$ 9,136</u>	<u>\$ 193,273</u>	<u>\$ 237,047</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (15,289)	\$ 643	\$ 28,943	\$ 12,197
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation expense	47,969	-	-	51,606
Net Changes in Assets and Liabilities				
Inventories	153	-	-	(1,826)
Other assets (net)	(6,536)	(50)	(29,344)	(38,503)
Accounts payable and other liabilities	20,737	581	5,486	29,751
Net cash provided (used) by operating activities	<u>\$ 47,035</u>	<u>\$ 1,174</u>	<u>\$ 5,086</u>	<u>\$ 53,225</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Cost of capital assets acquisitions				
financed by capital leases	\$ 9,896	\$ -	\$ -	\$ 10,845
Capital lease liabilities entered into during the year	(9,896)	-	-	(10,845)
Gain (loss) on disposal of capital assets	-	-	-	(170)
Total noncash investing, capital, and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (170)</u>